



THE PROFILE OF CREDIT DEFAULTERS IN BANK RAKYAT  
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## LETTER OF TRANSMITAL

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Dear Sir,

### SUBMISSION OF PROJECT PAPER

With reference to the above matter, I hereby enclose the final Project Paper entitled **The Profile of Credit Defaulters in Bank Rakyat Masji Tanah** for your kind perusal. I hope that the Project Paper will fulfill requirement as needed by the faculty of Business Management, Universiti Teknologi MARA.

Thank You

Yours Sincerely



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## **ABSTRACT**

Malaysian life style is not much different with others develop countries. There are many type of products offer in the market such as automobile, housing estate, education, vacation, information technologies, fashion, entertainment and others. To own the products people must have money. But not many people can afford to pay it cash. Needs and wants have no border but people have limited resources, so that Bank offer debt market to consumer to satisfy what people needs and wants. The availability of loan from credit department of the bank allows us to have a better life and higher standard of living. (Sheer 1999). From the consumer perspective, loan offer by bank services help them in many way. But from the bankers' point of view, once the loan delivered, the bank will face the risk that probability the borrowers not pay the debt. This means each lender will be permitted full discretion, at its own risk, to assess the credit risk of each prospective borrower.

This major study of this paper purposely is to analyze why there is bad debts account in the bank and what the factors contribute to the people become the credit defaulter. From the finding we know that people life style and attitude, demographic factor and economic factor cause them to be credit defaulter. To explore these issues Bank Rakyat is the appropriate organization chosen. In order to complete this research, there are several limitations that were faced such as limited time, data accuracy, respondent not familiar to answer research questionnaire, the Bank Secret Act, probability that respondent lies to the question about life style, attitude concept and their credit history .

From the findings, demographic factor and people life style and attitude concept have correlation with the default account in the bank.

The data use in this study are secondary data and primary data. The secondary data taken from the annual report of the bank, minutes of the meeting and from the brain storming session with the bank management staff. The data are collected in 3 months of duration period.